Ottawa charts path to 2030 goal; Plan includes steep emissions targets for industries and \$9.1 billion for federal climate programs

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Body

The federal government expects the oil and gas sector to significantly drive down greenhouse gas emissions as part of a new plan to ensure Canada finally stops breaking promises to fight climate change.

Billed as a road map to meet Canada's emissions target for 2030, the plan tabled Tuesday in the House of Commons is a key requirement of the Liberal government's climate "accountability" law that was designed to stop this country's legacy of failing to fulfil every pledge to slash emissions that it has ever made.

The plan earmarks \$9.1 billion for a range of climate programs, and for the first time spells out possible greenhouse gas reductions from various sectors of the economy that would allow Canada to hit its 2030 emissions target of at least 40 per cent below 2005 levels.

Chief among them is the oil and gas sector, the top source of greenhouse gas pollution in the country. The plan projects the sector can slash emissions by 42 per cent below 2019 levels by 2030, an 81-megatonne reduction that officials said would guide how Ottawa crafts the regulatory "cap" on oil and gas emissions the Liberals promised during last year's federal election campaign.

The plan was welcomed by some as a clear pathway to Canada's climate goals, while the Greens and New Democrats joined some environmentalists in saying it is based on an insufficient 2030 target and too soft on the fossil fuel sector.

The Conservatives, meanwhile, questioned whether the Liberals could hit the targets and claimed the plan showed the government intends to "phase out" Canada's energy sector.

Speaking to a climate policy convention in Vancouver on Tuesday, Prime Minister Justin Trudeau said the expected reduction is "reasonable," and framed it as move away from the corporate influence of the fossil fuel industry as Canadians transition to clean energy.

"Big oil lobbyists have had their time on the field," he said. "Now it's over to the workers and engineers who will build solutions for their sector, for their communities and for their kids."

Environment Minister Steven Guilbeault said the projected emissions reduction from the oil and gas sector includes forecast production increases from the Canadian Energy Regulator.

The plan relies on measures like the federal carbon price and regulations to restrict methane emissions to spur reductions from the sector, alongside planned policies like the sectoral emissions cap and emerging technologies to capture and store carbon emissions instead of releasing them into the atmosphere.

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Guilbeault said fossil fuel companies already know they must reduce emissions from oil and gas production to stay competitive in a world shifting toward clean energy.

"The industry realizes that, for them to have a future, they need to do that," he said in an interview with the Star, "and we want to partner with them to make that happen."

In a statement to the Star, the Canadian Association of Petroleum Producers did not address the expected reductions, but said the sector should contribute to the country's climate goals and can help other countries reduce emissions by selling them more Canadian oil and gas.

The plan also charts expected emissions reductions from buildings (37 per cent below 2005 levels), transportation (11 per cent), heavy industry (39 per cent) and electricity generation (88 per cent), among others.

Last year, the Liberal government ditched the climate target it maintained from Stephen Harper's Conservative administration and replaced it with a more ambitious goal of slashing emissions to at least 40 per cent below 2005 levels by 2030.

But Canada is a long way from that target. The latest emissions data compiled by Environment Canada shows that greenhouse gas pollution dropped only by about one per cent from 2005 to 2019.

Significant declines in emissions from electricity generation, thanks in large part to the government-enforced closure of coal-fired power plants, were offset over that time by marked increases in emissions from oil and gas extraction (67 per cent) and road transportation (14 per cent), the data shows.

The plan unveiled Tuesday is meant to finally drive annual emissions toward the 2030 goal - and break Canada's losing streak on its international climate commitments. Government officials said it puts Canada on track to reduce emissions to 36 per cent below 2005 levels by 2030, and that additional measures under development - such as a regulatory "cap" on emissions from the heavy-polluting oil and gas sector - will ensure the country closes the gap to at least 40 per cent. The plan includes an "interim objective" to slash emissions by at least 20 per cent below 2005 levels by 2026.

To help spur these reductions, the plan includes extra money for federal climate programs, including \$2.2 billion for the "Low Carbon Economy Fund," which finances clean energy projects, and \$850 million for clean electricity projects as Canada strives to ensure its national power grids run totally on non-emitting power by 2035.

The plan also earmarks \$780 million for projects that conserve wetlands and other natural features that store carbon, projecting such "nature-based" climate action can reduce emissions by 30 megatonnes - about four per cent of Canada's 2019 emissions - by 2030.

On zero-emission vehicles (ZEVs), the plan pledges another \$400 million to build more charging stations, and \$1.7 billion to extend the incentive program for people who buy these cars. The Canada Infrastructure Bank is also committing to spend \$500 million on ZEV infrastructure, the plan says.

Ottawa will require that at least 20 per cent of new light-duty vehicles sold in 2026 are ZEVs, a threshold that will increase to 60 per cent in 2030 and 100 per cent in 2035.

Merran Smith, executive director of the think tank Clean Energy Canada, said the overall plan is "an excellent step forward" for climate action in this country. It laid out expected emissions reductions from the two largest sectoral polluters of greenhouse gas with significant funding promised to back up the projections, she said.

"That's a sign of a serious commitment by the government," she said.

For Catherine Abreu, executive director of the organization Destination Zero, the plan represents the "most granular" view yet for how Canada can meet its climate targets. Yet she also argued the projected reductions for oil

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and gas fall short of the sector's "fair share," and that serious questions remain about how and when the right measures will be implemented to ensure emissions are slashed adequately over the next eight years.

"Because we're so behind the 8-ball, there's still a big question around whether this is really what puts us on track to holding true to that 2030 goal," she said.

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